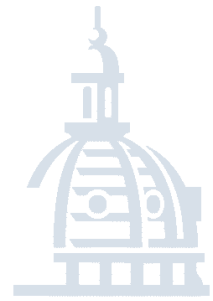


Fiscal Note

Fiscal Services Division



HF 2006 – Tax Expenditures, Periodic Repeals (LSB 5033HH)
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Fiscal Note Version – New

Description

House File 2006 automatically repeals (sunsets) all tax preference items in the Iowa Code every four years; with the first automatic repeal effective June 30, 2011. Provisions for continuing projects committed to prior to the repeal date are specified. The Bill applies to tax expenditures in effect on or after June 30, 2011.

Fiscal Impact

The Bill does not appropriate any funds or require any action other than a review of all tax expenditures by the Governor and the General Assembly every four years. It can be assumed that to be thorough, the review will require significant staff time by the Departments of Revenue and Economic Development, as well as legislative staff. Additional reporting requirements may also be expected of other agencies and local governments. An estimate of the administrative cost associated with the review cannot be made without further direction from the Executive and Legislative Branches.

If the review identifies inefficient or ineffective tax preferences and those items are improved or ended, the review every four years could substantially improve the economic efficacy of the State's overall tax incentive policy.

The Department of Economic Development cites the probable disruption of planning efforts at the State and local level as agencies and local governments await the decision to renew or end each tax preference program.

Sources

Department of Revenue
Department of Economic Development

/s/ Holly M. Lyons

February 17, 2010

The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#). Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
